GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2707
ANSWERED ON:15.03.2001
GUIDELINES ISSUED FOR PRIVATE SECTOR PARTICIPATION
JASWANT SINGH YADAV

Will the Minister of POWER be pleased to state:

(a) whether the Central Electricity Regulatory Commission has urged theGovernment to withdraw the guidelines issued for private sector participation in the transmission sector;

(b) if so, the details thereof; and

(c) the steps taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : The Electricity Laws were amended in 1998 to enable implementation oftransmission projects by Central/State Power Transmission utilities and also by private transmission companies either on joint venture basis in association with Central/State transmission utilities or independently by obtaining a transmission license from Central/State Electricity Regulatory Commissions depending on whether the transmission line/associated substations are inter-state or intra-state.

Guidelines were issued by Ministry of Power on 31st January, 2000 for privatesector participation in transmission so that prospective investors and utilities could visualize the process of private participation and to facilitate a basis uniform approach for the Central and State Sectors.

In response to a letter received from CERC in February, 2000 directingGovernment to reconsider the guidelines which were issued on 31st January, 2000, clarifications have been furnished to CERC in July, 2000 indicating that the guidelinesissued were based on the recommendations made by an Expert Group to advise Government on the methodology to be adopted for attracting private investment in transmission consistent with a licensing framework and the provisions contained in the Electricity Laws (Amendment) Act, 1998.